metric locations have been identified by ONGC in such basins and are likely to be taken up for drilling during the remaining period of Seventh Plan.

(b) The production of crude oil in the country in 1986-87 was 30.50 million tonnes. This is expected to go up to 34.51 million tonnes in the terminal year of the Seventh Plan. The degree of self-reliance would then be about 61 per cent.

(c) It is fact that 75 per cent of the prognosticated hydrocarbon resources are yet to be established. The requirement of rigs over and above those owned by ONGC and Oil India Limited are met by charter hire from foreign as well as Indian sources.

(d) Some of the steps taken to promote indigenisation of oil field services are:

(i) Duty concession for import of equipment.

(ii) Price preference to Indian companies.

State participation in ownership of rifinery

603. SHRI RAOOF VALIULLAH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government of Assam has demanded state participation in ownership of the proposed refinery in the State;

(b) whether the same was stipulated in the Assam Accord of 1985 and whether the refinery in joint sector would presume effective involvement of the people of Assam;

(c) whether funds would also be generated through public subscription as suggested by the Assam Government; and

(d) by when Government will take a final decision in the matter?

THE DEPUTY MINISTER IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI RAFIQUE ALAM): (a) to (d) During the negotiation leading to the Assam Accord Government of Indio had agreed, inter-alia, "to establish an oil refinery in Assam Government will render all possible assistance in terms of institutional and bank finance to facilitate the establishment of a refinery in the private sector."

Government of Assam have expressed a desire to participate in the ownership of the proposed refinery. However, the details regarding the mode of financing of the refinery have not yet been finalised.

Commercial production of oil from Krishna Basin

604. SHRI V. NARAYANASAMY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government propose to start commercial production of oil from Krishna off-shore basin by the end of this year;

(b) what is the total estimated crude oil available in Krishna basin as par the study conducted by ONGC;

(c) what is the total production of crude oil per year in Krishna basin; and

(d) what will be the extent of the savings of foreign exchange every year?

THE DEPUTY MINISTER IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI RAFIQUE ALAM): (a) ONGC have a plan to do so through Early Production System.

(b) Recoverable reserves of oil estimated as on 1.1.1987 are 0.63 million tonnes.

(c) About 2400 tonnes per year.

(d) About Rs. 41 lakh at the present rate.

Royalty on crude oil

605. SHRIMATI BIJOYA CHAKRAVARTY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether there is any proposal under Government's consideration for raising the royalty on crude oil payable to Government of Assam; and

(b) if so, from which date and at what rate royalty would be enhanced?

THE DEPUTY MINISTER IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI RAFIQUE ALAM): (a) and (b) Oil Fields (Regulation and Development) Act, 1948 empowers the Central Government to enhance the rate of royalty once in three years. The rate of royalty was last revised in August, 1986 with effect from 1st April, 1984. The next review of the rate of royalty would be considered after taking into account all relevant factors including the views of the State Governments concerned.

Contracts signed with Chevron. Texaco & International Petroleum Limited

606. SHRI ASHWANI KUMAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government's attention has been drawn to the news item which appeared in the Indian Express dated 1st February, 1986 to the effect that India's two recently signed contracts with Chevson Texaco and International Petroleum Limited are heavily loaded in favour of the contractors for oil exploration in offshore regions of Krishna-Godavari and Palar basin;

(b) whether it is a fact that the oil companies are expected to drill minimum of only two wells while in Thailand Shell Company had to drill a minimum of 13 dry wells and the average statistical success ratio of oil discovery is 10 percent;

(c) if so, whether India insisted on a minimum of 13 wells instead of only two; and

(d) whether arbitration is not to be governed strictly by Indian Arbitration laws; if so, what are the reasons therefor?

THE DEPUTY MINISTER IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI RAFIQUE ALAM): (a) Yes, Sir.

(b) and (c) The foreign oil companies would be carrying out exploration at their own risk and cost. Therefore, the foreign oil companies can leave the area if the results of exploration carried out by them are not found to be encouraging. The work commitments made by the oil companies vary from block to block. Since negotiations with other oil companies are in progress, it is not in Government's commercial interest to disclose the actual commitments in the contracts.

(d) The contracts will be governed by the laws of India. Arbitration under these contracts will be in accordance with United Nations Commission on International Trade Law (UNCITRAL) Rules, in the framing of which India participated. These rules are widely used in international agreements.

Petrochemical Complex in Gujarat

607. SHRI RAOOF VALIULLAH: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government have since cleared a joint venture petrochemical complex at Hazira in Gujarat;

(b) by when the project is likely to commence production and whether there is any foreign exchange component in the project; and

(c) whether there is any other proposal for setting up of petrochemical complex in Gujarat and if so, what are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) to (c) Some applications for the setting up of a petrochemical complex in Gujarat have been received. Final decision on these applications will be taken after a number of issues relating to availability of feed stock, tie up of resources, etc. are resolved. Details of these applications are not disclosed till a final decision is taken on them.